



Joint Committee on General Law  
Connecticut General Assembly  
State Capitol - Hartford, CT

2/22/20

### **Opposition to SB 121**

Co-Chair Maroney, Co-Chair D'Agostino, Vice Chairs Faroni and Gibson, Ranking Members Rutigliano and Witkos, and Committee Members.

Our company was founded over seventy-years ago and, like most of our customers, we are a proud, family owned and operated business. We serve agricultural and construction customers in Connecticut from our location in South Windsor. We have additional business locations in Massachusetts, New York and Vermont

Large farm and construction equipment are highly sophisticated machines and every year we invest heavily in training people, the latest technology and the product support infrastructure that enables us to support our customer's success.

Our company, and our major suppliers, support our farmer's and contractor's **right-to-repair**. We do so by making available the same technical manuals, parts manuals, schematics and diagnostic software that our technicians use in their daily work.

We oppose SB 121 because we cannot support the potential for modification of the software that controls the environmental and safety features of the equipment we sell and support. Nor can we support the parts sales mandate in the bill which will significantly damage our business and our investment in customer support.

It's deeply concerning that anyone, regardless of qualification and investment, can simply put out a sign and work on this sophisticated and dangerous equipment. Further, it's a lose / lose proposition to mandate that anyone – regardless of qualification, investment and reputation – can purchase repair parts at the same cost and terms that authorized dealers pay. This ignores the investment, the potential liability we absorb, the reputational risk we take and the customer service we provide.

Right now, our major farm and construction suppliers makes available to customers the same diagnostic software, documentation, manuals, and information that our own technicians use. Customers and independent repair providers can access this diagnostic software on a subscription basis which is exactly the way our dealership accesses the software.

Likewise, customers and independent servicers can purchase the entire complement of service, parts, schematics and technical information directly from our supplier's website, or we will order it for them. Again, the same way we order manuals.

The bill asks the OEMs to set-up a process and at no charge for provide updates to electronic documentation for anyone that requests it. Meanwhile, our dealership pays a subscription fee for documentation, updates and diagnostic software. "At no charge" means the price of machinery to the consumer will have to rise.

It's well known that Connecticut customers can, and in many cases do, access the "dark market" to find software that modifies engine horsepower and devices designed to defeat EPA mandated emissions control systems on machines.

**The EPA mandates that OEMs and dealers prohibit over-riding factory installed emission systems** by controlling the access to software that manages the engine compliance with emission standards.

As a dealer, we are required to remove engine and emissions defeat devices if we find them on customer's machines. An independent service provider is not held to the same standard and given the unlocking tools, will over-ride the system for the customer. Meanwhile, if the software causes machine damage or failure, the customer often turns to the selling dealer for support and/or warranty coverage.

**Regarding the parts provisions in the bill.** The parts sales provisions are a "lose / lose" proposition. Under the "fair and reasonable terms" in the bill, our OEMs would be compelled to provide service parts to the public at the same price that our dealership pays.

Under the parts sales scenario, customers, dealers and OEMs will suffer:

- Customer support suffers as our dealership no longer has a financial incentive to hold parts in inventory, including during peak times when customer needs are the greatest.
- Customer support suffers as our dealership will no longer be able to employ parts experts that provide critical support to customers and independent repair providers and insure they have the right parts at the right time.
- Customers and dealers will suffer because without the financial contribution that parts sales make to the bottom line, the survival of the dealer community in Connecticut is severely compromised.
- Equipment pricing will increase as customers pay less for parts, but for dealers in Connecticut to survive, customers pay more for machines.
- OEMS will suffer as their business model of local dealers with expertise in local markets is upended. It will take years and great expense for OEMs to develop

systems that allow ordering, selling, delivering and administration of direct parts sales to customers and others. As a result, prices of machines will increase.

Across all our dealership locations, we sell parts “over the counter” to customers and independent service techs that install those parts on their own. There is no reason in to destroy that business through a State mandate.

**We support our customer’s right-to-repair.** We take customer productivity very seriously and that’s why our industry have taken the many steps that we have to make the diagnostic tools, information and parts available to customers who can self-determine where, who and when they want to find service for their machinery.

Furthermore, with each new model year, manufacturers are providing significant advancements in our dealership ability to remotely access a customer equipment to rapidly help them understand and deal with repair issues without us traveling on site.

Finally, regarding existing contracts between OEMs and authorized dealers.” It’s very difficult to understand how SB 121 won’t interfere with existing contracts, particularly in the areas of environmental compliance, warranty issues and the destruction of our service parts revenue contribution. The bill also raises cross-border issues as we work with customers in surrounding states.

I respectfully ask that SB 121 not pass out of Committee.

Thank you for your time and consideration.

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